

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 3129

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Health and Labor & Public Employment, to which was referred H.B. No. 3129 entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE,"

beg leave to report as follows:

The purpose of this bill is to:

- (1) Provide an income tax credit to individual taxpayers for premium payments made for the purchase of a qualified long-term care insurance contract;
- (2) Provide an income tax credit to employers for premium payments made by the employer during the taxable year to purchase a qualified long-term care insurance contract for its employees; and
- (3) Require the Department of Taxation, in cooperation with the Department of Commerce and Consumer Affairs, to submit an annual report to the Legislature on the tax credits claimed and their cost to the State.

The Healthcare Association of Hawaii, State Farm Mutual Automobile Insurance Company, Hawaii Long Term Care Association, and American Council of Life Insurers testified in support of this bill. ILWU Local 142, supported the intent of this bill. The Kokua Council opposed this measure. The Tax Foundation of Hawaii provided comments.



As affirmed by the records of votes of the members of your Committees on Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3129 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Health and Labor
& Public Employment,



KIRK CALDWELL, Chair



DENNIS A. ARAKAKI, Chair



